

Jan. 28, 2015

The Honorable Barack Obama  
President of the United States  
1600 Pennsylvania Avenue, NW  
Washington, D.C. 20500

Dear President Obama:

The West Coast port slowdown is having a devastating effect on Washington State employers, our workforce and jeopardizes our state's economic stability. We encourage you to engage on the issue and orchestrate a resolution to the labor contract stalemate between the International Longshore Workers' Union and the Pacific Maritime Association.

If a resolution is not reached quickly not only will the national economy suffer, our state's operating budget could be well short of the tax collections expected from our trade and manufacturing sectors. A budget shortfall would hurt funding in education, social programs and our environmental efforts. Industries rely on long term forecasting and planning for their business plans and any instability within the processes severely impacts the entire system.

Washington exports \$15.1 billion annually in food and agriculture products through Puget Sound ports, the third largest in the United States. Agricultural and ranching products total over 13 percent of the state's overall economy. Our state also relies heavily on imports of raw goods and materials that are critical to our vibrant manufacturing and aerospace industries.

The Washington state economy is one of the most trade dependent states in the nation. We need immediate action if we are to salvage what remains of our market share for trade around the globe and to ensure our manufacturers can continue to produce high demand products. U.S. companies compete with other global suppliers that have fewer regulations and fewer production costs. We are proud of our workforce and our innovative spirit and we have a strong commitment to Washington State's place in the global marketplace.

Washington potatoes, apples and other perishable goods are currently sitting in containers on the docks at the Puget Sound ports. An Ellensburg hay exporter has been forced to cut production by 50 percent, which is threatening the livelihood of many Washingtonians, many of whom live in areas with double digit unemployment rates.

Washington exports about one third of its apple crop, which has a total economic impact of \$7.5 billion and supports 61,000 jobs. This year, apple production exceeded 150 million 40-pound boxes. Yet, the port slowdown could jeopardize this market, as apples waiting to be shipped to Asian markets will not arrive in time for the Chinese New Year.

The slow down along West Coast ports also hurts state manufacturers that cannot receive parts and materials for their production lines or cannot ship finished products. Manufacturers like SGL Automotive Carbon Fibers in Moses Lake rely heavily on West Coast ports for importing raw materials required to build the bodies of electric cars for BMW. SGL was forced to shut down plant operations in November because the raw materials needed to build the carbon fiber elements were held in containers within the Port.

Cascade Designs' manufactures specialty snowshoes but cannot import the raw materials from Ireland because of the port slowdown, impacting their global wide customer base. KapStone Kraft Paper in Longview, which produces natural, recycled paper products, has roughly 1,000 employees and ships up to 1,000 containers per month. The company has experienced a 50 percent reduction in exports. Weyerhaeuser, a flagship natural resource company in Washington State, has publicly acknowledged it will be sending out temporary layoff notices due to the economic impact the port slowdown is having on its operations. These industries all rely on our rich, natural resources for their products and do not have viable export alternatives.

These are just some of the many examples of how the West Coast port slowdown is impacting Washington's economy and workforce. The affected companies do not have a seat at the negotiation table. They are being driven out of business by this labor stalemate.

In 2002, when a breakdown in contract negotiations resulted in a 10-day lockout, the U.S. economy lost an estimated \$1 billion a day and took six months to clear the backlog, according to the National Association of Manufacturers (NAM). At an estimated \$2 billion each day, a complete shutdown could be even more costly, according to NAM and the National Retail Federation.

Washington State wants to do its part to lift up economies around the nation and provide great-paying jobs to workers. We rely on efficient maritime operations that move goods and products in and out of the state. We request congressional involvement and Presidential action now.

Thank you for your attention to our urgent and critical economic crisis impacting employers, workers, and the financial security of Washington State.

Very respectfully yours,

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Sen. Judy Warnick  
13<sup>th</sup> Legislative District

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Rep. Matt Manweller  
13<sup>th</sup> Legislative District

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Rep. Tom Dent  
13<sup>th</sup> Legislative District

cc: Robert McEllrath, International Longshore and Warehouse Union  
James McKenns, Pacific Maritime Association  
U.S. Senator Patty Murray

U.S. Senator Maria Cantwell

Rep. Suzan DelBene

Rep. Rick Larsen

Rep. Jaime Herrera Beutler

Rep. Dan Newhouse

Rep. Cathy McMorris Rodgers

Rep. Derek Kilmer

Rep. Jim McDermott

Rep. Dave Reichert

Rep. Adam Smith

Rep. Denny Heck

Governor Jay Inslee

Don R. "Bud" Hover, Director, Washington State Department of Agriculture

Tom Vilsack, Secretary, U.S. Department of Agriculture